

PART IV ACCOMPLISHMENTS AND ASSESSMENT OF THE FY 2002 PERFORMANCE

A FY 2002 Investments

1. Homebuyer Assistance and Housing Recycling and Preservation

During FY 2002, DHCD assisted in the creation of 427 first-time homeowners. See Table 8. DHCD expended a total of \$2.6 million from the CDBG and HOME programs, supplemented by the expenditure of \$3.4 million in local appropriated funds for home ownership activities. These funds leveraged approximately \$43.0 million in private sector dollars - a private:public ratio of 7:1. In addition, DHCD helped another 22 families rehabilitate their homes - four through the Single Family Residential Rehabilitation Program and 18 through the Neighborhood Development Assistance Program Single Family Rehabilitation Demonstration Program.

The Homestead Housing Preservation Program did not operate a lottery in FY 2002. Instead, DHCD turned its portfolio of Homestead properties over to the Office of the Deputy Mayor for Planning and Economic Development to support the Administration's "Home Again" initiative. This initiative packages vacant structures so that developers can bid on them.

Table 8: Homeownership and Home Rehabilitation Financing, FY 2002

Program	Units	CDBG Funding	HOME Funding	Other / Local Funding	Private Funding
Home Purchase Assistance Program	397	\$ 2,013,409	\$ 668,188	Appropriated \$ 1,672,257 HPAP Repay \$ 1,766,182	\$ 42,841,772
Homestead Housing Preservation Program	0	0	0	0	0
D.C. HFA Loans	30	0	0 ¹¹	0	0
Subtotal	427	2,013,409	668,188	3,438,439	42,841,772
Single Family Rehabilitation	22	598,781	0	0	188,435
Total	449	\$ 2,612,190	\$ 668,188	\$ 3,438,439	\$ 43,030,507

Assessment: DHCD's activities substantially met the goals and strategies of its five-year plan. It promoted homeownership, both through the provision of HPAP loans and through its assistance with DCHFA loans, and also through its tenant conversion process (see below). The Department did not achieve its annual plan target for first-time homeowner loans or single-family rehabilitation loans, however, because of dramatic price inflation in the D.C. housing market. Even though DHCD received a substantially higher number of HPAP applications in

¹¹ The D.C. HFA used \$1.6 million of FY 2001 funds from DHCD in FY 2002.

FY 2002 over FY 2001, the inventory of homes affordable to income-eligible first-time homebuyers has been severely limited. In response, the Department will consider new subsidy levels to bring program assistance into line with the higher cost of housing.

DHCD faced an even greater challenge in meeting its Single Family Rehabilitation goal, in that qualified clients encountered a shortage of certified contractors to perform the rehab work. It is a prerequisite of the program that, for the loan to be closed, the homeowner must have obtained competitive bids from multiple rehabilitation contractors. However, in D.C.'s hyper-active housing market, most contractors have a high volume of private "high-end" home improvement jobs, and show relatively little interest in doing government-funded home rehabilitation jobs with specific restrictions related to scope of work, approvals, and payment.

In addition, DHCD is working to fully implement the new Lead-Safe Housing Rule as it pertains to single family rehabilitation, and is attempting to identify a stable of contractors certified in lead hazard abatement, as well as home improvement contractors trained in lead-safe work practices. DHCD is working now to redesign its program procedures to make it easier for Single Family Rehabilitation applicants to close their loans, engage contractors for lead hazard abatement and home rehabilitation, and bring construction projects to a successful close. The complexities inherent in doing so will likely affect production for this program well into the District's FY 2003 as well.

2. Affordable Housing Production

DHCD provided CDBG and HOME funding to support the acquisition, construction and/or rehabilitation of 1,076 rental and owner-occupied housing units. DHCD also provided other types of funding (Low Income Housing Tax Credits, Housing Production Trust Fund) to support the development of another 336 multi-family units and the disposition of 320 units. In total, DHCD assisted 1,732 units, including the conversion of 242 units of rental housing to tenant-owned cooperative or condominium units. See Table 9.

In addition, DHCD financed three commercial acquisitions and the redevelopment of 16 commercial and community facilities during FY 2002. The Department also financed two technical assistance projects and an infrastructure project. In total, DHCD provided \$44.9 million in loans and grants to supplement \$161.8 million in private and other financing, for an overall leveraging ratio of 3.6:1 and a residential development leveraging ratio of 3.2:1. A full list of funded projects is shown in Appendix A.

Table 9: Housing Units Created/Rehabilitated, FY 2002

Program	Units	CDBG Funding	HOME Funding	Other / Local Funding	Private Funding
Multi-Family New Construction	164	\$ 7,850,000	\$ 950,000	\$ 0	\$ 18,685,318
Multi-Family Rehabilitation ¹²	1,392	13,315,337	3,185,000	3,180,000	103,795,126
Single Family New Construction	2 ¹³	4,288,835	0	0	10,992,444
Tenant Purchase ¹⁴	242	1,325,000	0	0	35,000 ¹⁵
Total	1,732	\$ 26,879,172	\$ 4,135,000	\$ 3,180,000	\$ 133,507,888

*Note - Counts do not include LIHTC-funded units.

Worst-Case Housing Needs: Some of the projects for which DHCD provided funding in FY 2002 qualify as “worst-case housing needs”. In FY 2000, the District government made highly visible moves against what it termed “hot properties”. These were properties with hundreds of housing code violations, in which very low-income residents - often immigrants - were paying excessive rents to live in poor conditions. DHCD has assisted three of these worst-case, “hot properties”:

- 1611 Park Road, N.W.: DHCD invested \$2 million to do a “gut rehabilitation” of the building. The building was reconfigured from 40 units to 31 to create more family-size units, which also reduced overcrowding. Part of the funding is \$400,000 in historic preservation tax credits, as the building is in a historic district. The D.C. Housing Authority will provide Section 8 assistance to the returning households who qualify.
- 2922 Sherman Avenue, N.W.: DHCD will invest \$700,000 in this building through a Community Housing Development Organization. The project will rehabilitate and convert a 17-unit rental building into an 11-unit low-income cooperative.

Assessment: DHCD met the goals of its five-year strategic plan, by supporting the rehabilitation and preservation of its affordable housing stock. DHCD closed far more than the seven Construction Assistance Programs it proposed in the FY 2002 Consolidated Plan Action Plan and it far exceeded the number of multi-family units rehabilitated. The Department did not achieve its new construction goal, because the lack of developable parcels in the District makes new construction opportunities rare. Nonetheless, with its financing of 1,879 affordable housing units, the Department has made a strong and positive contribution to the provision of affordable housing opportunities in the District of Columbia. Its support of tenant purchase of buildings, whereby tenants become homeowners, is particularly notable. DHCD exceeded its goal of 200 by financing 242 tenant purchases.

¹² With or without acquisition.

¹³ Funding for this category includes dollars spent in FY 2002 for 147 units counted in FY 2001.

¹⁴ Acquisition, or acquisition and rehabilitation.

¹⁵ Records are incomplete.

3. Community Organization Support

During FY 2002, DHCD provided funding to 12 Community Development Corporations under its Neighborhood Development Assistance Program (NDAP) and to four (4) Community-Based Organizations through the Community Based Services Program. The work these organizations perform, and the support that DHCD provides, helps to fill the gaps in service delivery by strengthening local intermediaries. The FY 2002 awards were particularly significant in this regard, since DHCD made awards to many new organizations, thus increasing the number of neighborhood-based entities that can help deliver services. The organizations' work programs are shown below in Table 10. Specific performance measures are listed in Appendix B.

Table 10: CDC/CBO Work Programs, FY 2002

CDC/CBO	Project Name	Funds
Anacostia Economic Development Corporation (Ward 6)	Commercial District and Small Business Technical Assistance	\$ 83,054
	Façade Improvement and Infrastructure	294,290
	Youth Initiatives	48,073
Central American Resource Center (Ward 1)	Tenant/Housing Counseling	\$ 101,669
Cultural Development Corporation (Wards 2, 6)	Commercial District and Small Business Technical Assistance	\$ 30,000
Development Corporation of Columbia Heights (Ward 1)	Commercial District and Small Business Technical Assistance	\$ 255,240
	Job Training/Employment	189,060
East of the River Community Development Corporation (Ward 8)	Commercial District and Small Business Technical Assistance	\$ 142,800
	Façade Improvement and Infrastructure	43,200
	Youth Initiatives	84,000
H Street Community Development Corporation (Ward 2, 6)	Façade Improvement and Infrastructure	\$ 576,000
Home Free USA (Ward 5, 8)	Single Family Rehabilitation Demonstration	\$ 1,398,776
Inner Thoughts, Inc. (Ward 8)	Job Training	\$ 199,430
Just U Wait N See, Inc. (Ward 8)	Tenant/Housing Counseling	\$ 100,000
	Job Training/Employment	200,000
Marshall Heights Community Development Organization (Ward 7)	Commercial District and Small Business Technical Assistance	\$ 69,197
	Façade Improvement and Infrastructure	720,000
	Tenant/Housing Counseling	28,282
North Capitol Neighborhood Development, Inc. (Ward 1, 2)	Commercial District and Small Business Technical Assistance	\$ 114,038
	Façade Improvement and Infrastructure	745,969
	Youth Initiatives	49,008
Wheeler Creek Estates Community Development Corporation (Ward 8)	Commercial District and Small Business Technical Assistance	\$ 820,000
TOTAL		\$ 5,597,787

One aspect of CDC work is to sponsor business façade redevelopment projects with local merchants. Six projects began during FY 2002:

1. 400-1300 H Street, N.E. - 40 façades, sponsored by the H Street CDC
2. East River Park/Metro Stop & Shop - 50 façades, sponsored by the Marshall Heights Community Development Organization
3. Bloomingdale - 21 façades, sponsored by North Capitol Neighborhood Development
4. 3023-3027 MLK, Jr. Ave, S.E. - 3 façades, sponsored by East of the River CDC
5. 1800-2200 MLK/1100-1700 Good Hope Road, S.E. - 21 façades, sponsored by Anacostia Economic Development Corporation
6. 9th Street, N.W. (T & U) - 17 façades, sponsored by North Capitol Neighborhood Development

DHCD established goals of creating and retaining 3,480 jobs through its Affordable Housing Program (above) and providing 275 job training opportunities through NDAP. It also set a goal of providing technical support to 375 businesses through NDAP. Finally, DHCD set a goal of providing housing counseling to 6,000 persons, and also to providing purchase assistance to another 200 households through its Tenant Purchase Technical Assistance Program (TPTAP), which helps tenant associations purchase their rental buildings and convert them to condominiums or cooperative apartments. TPTAP is administered by the Development Finance Division. The results of DHCD's FY 2002 activities in these areas are shown in Table 11.

Table 11: Job Creation, Business Counseling and Housing Counseling Expenditure, FY 2002

Program	Units	CDBG Funding	HOME Funding	Other / Local Funding	Private Funding
DFD Job Creation/Retention ¹⁶	2,810	\$ 26,879,172	\$ 4,135,000	\$ 3,180,000	\$ 133,531,609
NDAP Job Creation/Retention ¹⁷	446	588,490 ¹⁸	0	0	0
NDAP Business Counseling	916	820,000 ¹⁸	0	0	0
CBO Housing Counseling	6,228	229,981 ¹⁸	0	0	0
TPTAP Housing Counseling	6,860	300,000	0	0	0

Assessment: DHCD far surpassed its housing counseling targets and small business counseling targets, but fell short in job creation through both Development Finance projects and through NDAP. Many of the Development Finance projects financed in FY 2002 operated in the pre-development and acquisition phases of the project life cycle, and so did not result in the construction jobs represented by the 3,480 total. Moreover, with the restructuring of NDAP,

¹⁶ Through construction projects.

¹⁷ Three CDCs - Development Corporation of Columbia Heights, Just You Wait 'N See, Inc., and Inner Thoughts, Inc. - provide a wide range of employment counseling/job placement services to citizens based in its target areas or who desire employment in the target area. This assistance may include, but is not limited to employment training, job counseling, and job placement.

¹⁸ Budgeted. Actual expenditure data not available.

the community development corporations have changed their focus from construction projects to community service projects, so again their activities did not result in the expected number of jobs. Nonetheless, DHCD believes that the projects funded through Development Finance, NDAP, and CBSP did result in high value added to the community, as shown by the achievement of counseling goals and related high number of tenant purchase conversions.

4. Homeless Support and Prevention

The Emergency Shelter Grant (ESG) program supports the District's homeless Continuum of Care and the relevant objectives of the Consolidated Plan. ESG funds are provided via a subgrant agreement to the Community Partnership for the Prevention of Homelessness. The District of Columbia's Continuum of Care concept, mission, and ongoing planning process are discussed in detail in Appendix C.

4.1. Discussion

The following is an excerpt from the text provided by the Community Partnership for the Prevention of Homelessness. Please see Appendix C for the full text.

Census 2000 revealed that there are about 109,500 persons living in poverty in the District of Columbia.¹⁹ Homeless people come out of this community of poor persons. To respond to the housing crisis and other needs of the extremely poor, the District government and private providers have built one of the largest homeless shelter and service systems in the nation.²⁰

Taking into account emergency shelters, transitional housing and the stock of permanent supportive housing for persons with disabilities, the District's homeless Continuum of Care - public and private - has about 8,500 beds for men, women, youth and persons in families. There are others that do not have a roof at all - about 350 adults living in the streets and an estimated 925 persons in families living in precarious and unstable housing every day. Thus an estimated total of 9,775 are either homeless without a roof over their heads, homeless under a roof they may lose any day, or living under a roof supplied by the Continuum of Care. The 9,775 are 8.9% of people living in poverty, which means that slightly more than 1-in-11 of the District's poor people is either literally homeless or residing in the homeless system every day.²¹

Many more poor people are using homeless services at some time over the course of a year. The Community Partnership receives reports from programs that represent about 63% of the total Continuum of Care bed capacity and recorded the following use of emergency shelter, transitional housing or permanent supportive housing in FY 2001.

- 8,574 Men
- 2,736 Women

¹⁹ "2000 Census Numbers Reveal Higher Poverty Numbers in the District and by Ward and Neighborhood Cluster," DC Agenda, October 2002. http://www.dcagenda.org/pages/pdf/m_dc_agenda_poverty.pdf

²⁰ See *Evaluation of Continuums of Care for Homeless People, Final Report*, U.S. Department of Housing and Urban Development, May 2002, p. 36.

²¹ See The Community Partnership "Facts on Homelessness" at http://www.community-partnership.org/documents/Homeless_Facts-2002.pdf

- 23 Unaccompanied youth²²
- 3,651 People in homeless families (1,133 families), including 2,351 children

The numbers total to 14,984. However, the number is inflated due to duplicate counting of persons that use several shelters or use different levels of the Continuum of Care over the year. When the emergency shelter count is “unduplicated” (i.e., corrected to take out duplicates), the Community Partnership estimates that the programs it monitored in FY 2001 served 13,480 persons. Moreover, if at least one person (it was likely more) used one of 2,870 beds in private programs that do not report to The Community Partnership in 2001, the estimate of persons who were homeless at some time last year rises to 16,350. This figure represents 15% of all poor people in the city. *Put another way, this means that more than 1-in-7 of all poor people in the District experienced being homeless for some period of time in 2001.* For most it was a brief period, but for about 12% of the population (about 2,000 persons) homelessness is a chronic condition.

A Continuum of Better Services and Focus on Long-Term Outcomes: The publicly funded homeless system has changed significantly since FY 1995. Through a combination of increasing and re-allocating District funds over that time, as well as adding substantial new federal funds won through national competitions, the system is both larger and more balanced between emergency care and programs that provide longer-term assistance through transitional and permanent supportive housing.

Emergency 12- and 24-hour shelter for adults, youth and families has been reduced by about 5% (from 3,089 to 2,946 beds), and now represents 48% of the system, with transitional and permanent housing beds making up 52% of the system.

In addition to changing the kinds of facilities it offers and offering deeper services to help homeless people achieve independent or self-directed living, the Continuum of Care operating in FY 2002 is larger by 58% in beds and units capacity when compared to beds and units available in FY 1995. Reflecting the increased demand by homeless families, the growth has been concentrated in programs that serve families. See Table 12.

Table 12: Changes in the Number and Percentage Distribution of Beds

	<u>FY1995</u>		<u>FY 2002</u>	
	n	%	n	%
Emergency 12-24 shelter (beds)	3,089	80%	2,946	48%
Transitional Shelters & Housing (beds)	600	15%	1,548	25%
Permanent Supportive Housing (beds)	195	5%	1,654	27%
Totals	3,884		6,148	
Emergency 12-hr overnight shelter (beds)	1,169		731	
as percent of total	30%		12%	

(continued next page)

²² This figure does not represent all homeless youth, only those from one emergency shelter program (Sasha Bruce Youthworks) reporting to The Community Partnership.

COMPARISON OF UNITS & BEDS SUPPORTED BY PUBLIC FUNDS/ DC, HUD & HHS						
	<u>FY1995</u>			<u>FY 2002</u>		
	Adults & Youth	Families	Total	Adults & Youth	Families	Total
Beds	3,115	769	3,884	3,528	2,620	6,148
Units		233			794	
(cont'd next page)						
GROWTH IN PUBLICLY-FUNDED CONTINUUM OF CARE SINCE FY1995						
				<u>n</u>	<u>%</u>	
Growth in adults & youth (beds)				413	13%	
Growth in family units				561	241%	
Growth overall in public Continuum of Care (beds)				2,264	58%	

Managing an Increasing Number of Families Seeking Shelter and/or Services: Over the course of FY 2000 and FY 2001 the District and Community Partnership made significant changes in family central intake and in the family shelter system. Central intake added more intake workers and case managers. It also began offering a variety of options for families, including immediate access to emergency shelter for those who needed it, hotel vouchers, direct placement in community-based housing with case management support, emergency cash assistance for rent and utilities to prevent homelessness, housing counseling, employment services and substance abuse counseling. At the same time the decision was made to keep the 50-unit DC Village family shelter open year-round instead of just the winter season in order to provide immediate access to shelter for families without any place to live.

As a result of these changes, The Community Partnership believes that it is measuring better than ever the level of need that exists for poor families experiencing housing, financial and various sorts of personal crises - to the point that they come seeking shelter and other services that are available from the homeless system.

Moving Toward the End of Homelessness in the District: The District has accomplished a great deal in building a public and private Continuum of Care. According to a HUD study released in May 2002, the District had the highest number of beds per 10,000 persons in poverty of the 25 cities and counties that the study covered, higher than comparable metropolitan areas like Boston and San Francisco.²³ However, the District does not consider the perpetuation of a homeless system, however large, to be the proper strategy.

Instead the District has taken steps toward designing a 10-year plan to end homelessness. Long term objectives are to create 3,000 units of affordable housing for adults, many of whom are chronically homeless persons with disabilities, and 3,000 units for families with special needs. The details and projected timeline of the emerging 10-year plan to end homelessness can be found in Appendix C of this CAPER.

²³ p.36, Evaluation of Continuums of Care for Homeless People, Final Report, U.S. Department of Housing and Urban Development, May 2002.

4.2. FY 2002 Accomplishments

In FY 2002, using ESG funds from FY 1999, the Community Partnership paid for the following activities.

- **Prevention/Emergency Assistance Grants for 195 Families and 99 Adults** **\$ 248,100**

The D.C. Emergency Assistance Fund (DC/EAF) is a public/private prevention effort initiated and led by the business community, including MCI Center owner Abe Pollin, Mayor Anthony Williams, the Fannie Mae Foundation and the Community Foundation, all working with 8-10 Local Recipient Organizations throughout all wards of the city that are part of the local FEMA Board's network of providers. Through this vehicle, the Partnership provided rent and utility payments that provided up to three months financial support, combined with case management, to prevent the homelessness of 391 families and 182 adults.

- **Essential Services/Outreach and Shelter Hotline** **\$ 248,100**

Grants were made for the cost of outreach staff that work in the following 5 outreach centers. These grants provided outreach services to more than 700 homeless persons:

- | | |
|---|-----------|
| a) Georgetown Ministries (Ward 2 & 3)
1041 Wisconsin Avenue, NW | \$ 30,000 |
| b) Rachael's Women's Center (Ward 2)
1222 - 11th Street NW | \$ 30,000 |
| c) Neighbor's Consejo (Ward 1)
1624 Lamont Street, NW | \$ 18,200 |
| d) DC Central Kitchen and Clean & Sober Streets
"First Helping" Program (Wards 5 & 8)
425 Second Street, NW | \$ 36,600 |
| e) Community Council for the Homeless at
Friendship Place (Ward 3)
4713 Wisconsin Ave., N.W. | \$ 15,500 |

In addition, a grant of \$117,800 went toward the Shelter Hotline Services, a 24-hour, year-round outreach service, provided by the United Planning Organization. Vans equipped with two-way radios are dispatched on regular routes throughout the city and in response to calls to the Shelter Hotline. Homeless persons desiring shelter are transported to available beds. Those resistant to shelter are supplied with food, hot drinks and blankets, and are monitored throughout the night in cold weather.

• **Renovation and Rehabilitation** **\$ 292,450**

\$158,460 of these funds were used to rehabilitate one building at 317 H Street, NW, that will provide 12 beds of 24-hour emergency shelter for women, and \$38,000 was used to make necessary repairs at the Spring Road Family Emergency Shelter.

In addition, \$97,990 of renovation funds were reprogrammed to pay for shelter operations costs at the 45-unit Park Road Family Shelter.

• **Staff, Operating Costs and Administration** **\$ 41,350**

Funds covered a portion of administrative costs (\$20,675) for The Community Partnership's staff involved in the ESG program, and fiscal monitoring of ESG-funded activities. DHCD retained \$20,675 of the grant for its monitoring and administration of the ESG program.

Homeless Mentally Ill Housing Program: The Department of Mental Health (DMH), working with nonprofit partners Cornerstone, Inc., and Four Walls Development Corporation, provides assistance to nonprofit groups to acquire and develop housing for chronically mentally ill persons. Assistance is often provided in combination with DHCD's HoFEDD program and federal McKinney Act assistance. In the past year DMH has produced 330 units of its 850-units housing goal for severely mentally ill persons by FY03. DMH has \$15 million in capital funds committed to continue this work and expects that 200-250 of the 850 units will go to homeless clients, and all units will help with preventing homelessness among poor and mentally ill persons.

Progress against five-year goals: See Appendix C.

Progress against FY 2002 goals: The Community Partnership estimated it would provide 90 eviction prevention grants; provide outreach to 700 individuals; and rehabilitation between 25 and 40 shelter beds. The Partnership has reported the following accomplishments to DHCD for FY 2002, using a combination of ESG and other funds:

- Eviction prevention grants - 205 families, 134 single adults
- Outreach to individuals - 2,224 persons on the street
- Transportation to shelter - 8,095 persons transported, although this includes duplicate counts
- Beds rehabilitated - 52 (317 H Street shelter and Spring Road Family Shelter)

ESG Monitoring: The Office of Program Monitoring has contracted for a review of the Emergency Shelter Grant Program. Specific agreed-upon procedures included determining if the Fiscal Year 1997, 1998, and 1999 expenditures were eligible and allowable in accordance with the grant agreement and HUD guidelines, as well as verifying Fiscal Years 2001 and 2002 performance measures information. DHCD received a copy of the draft report in October 2002. A final report will be issued after the Partnership's comments are received and incorporated. DHCD will work with the Partnership to correct any findings stemming from the review, including those related to timely spending of funds.

Assessment: The District has made some strides toward meeting its five-year goals and has exceeded its one-year goals. As shown above, the number of beds has increased. The Department of Human Services has committed capital funds for the Continuum of Care, and

the Department of Mental Health has produced 330 housing units to prevent homelessness among seriously mentally ill persons. A new 24-hour women's facility is planned for construction in FY 2004. In the past two years, in addition to providing ESG funds, the District has provided more than \$1.2 million in HOME and CDBG for housing facilities for the homeless, and the D.C. Housing Authority has provided vouchers to 1,000 families and placed 60 families in public housing. See Appendix C for more detail.

5. Economic and Commercial Development

The District adopted a strategy to create job and business opportunities for District residents as part of its effort to create and maintain healthy and viable neighborhoods. This has several benefits, including a stronger tax base, more stable neighborhoods and more income to afford increasing housing costs. An important vehicle for achieving this strategy is the operation of a CDBG-funded microloan program through the H Street Community Development Corporation. Details on the FY 2002 activity are shown below:

- Jordan Springs \$25,000
This is a distributor of bottled spring water; loan made for inventory
- Capitol Hill Veterinary Clinic \$25,000
Loan made for salaries
- Discount Wigs and Beauty Supply \$25,000
Loan made for inventory and working capital
- Al's Carryout \$10,000
Loan made to purchase beverage coolers and roof repair
- Petal Ribbons and Beyond (Flower Shop) \$24,800
Loan made for supplies and equipment

DHCD also promotes economic development by contributing to infrastructure projects. These include the façade development projects described under "Community Organization Support" and the provision of funds to the D.C. Department of Transportation for streetscape improvements. In FY 2002, DHCD provided \$1,516,000 in capital funds for improvements on Georgia Avenue between Gresham Place and Quebec Place, N.W.

Assessment: No specific one-year goals were set for Economic and Commercial Development. These activities support DHCD's five-year goals, by helping businesses in distressed neighborhoods (H Street, N.E. and the surrounding areas) maintain operations; by making local businesses more attractive and accessible to community patrons; and by creating visible impacts that support neighborhood improvement efforts.

B. Other FY 2002 Accomplishments

1. Fair Housing Activities

Low-income and racial and ethnic minorities in the District face a number of impediments to fair housing. These impediments were documented in the 1997 Analysis of Impediments, which will be updated in FY 2004; some of the key impediments include

- Rental and sales discrimination
- Disability discrimination
- Predatory lending
- Inadequate supply of affordable housing (assisted or otherwise)
- Inadequate housing services for immigrant populations

In response to these impediments, DHCD continues to provide fair housing education and outreach to its constituents. DHCD has a bilingual Fair Housing Program Coordinator on staff who is charged with updating the agency's fair housing policies and procedures, ensuring its programs are carried out in accordance with the CDBG fair housing regulations, and ensuring fair housing education and outreach activities are realized.

DHCD also engaged in a number of significant fair housing outreach activities during FY 2002, many of which are targeted toward the District's immigrant and underserved communities. These include:

- Outreach to the Hispanic and Vietnamese communities under DHCD's Fair Housing Initiative Program grant (\$100,000)
- Agency participation in the Fannie Mae Housing Fair
- Agency participation in the D.C. Government Latino Day
- Agency participation in the District's Asian Pacific Islander community fair
- Director's participation in the Vietnamese community walk-through with the Mayor
- Translation of program brochures into Spanish and Chinese, and production of fair housing brochures in English, Spanish and Vietnamese²⁴

The Department also is pursuing internal fair housing training to ensure that program staff fully understand the obligations associated with their housing programs. DHCD continues to enforce non-discrimination laws and regulations, and it will incorporate protections against Section 8 discrimination into multifamily contracts as necessary.

The District itself has taken legislative action to promote fair housing. Title II of the Housing Act of 2002, effective April 19, 2002, requires landlords to consider Section 8 as a source of income for purposes of eligibility to rent. This provision protects tenants from "Source of Income" discrimination, and it reinforces the provision under the D.C. Human Rights Act of 1977, Source of Income protected basis. The Council also passed the "Home Loan Protection Act of 2002", which strengthened prohibitions against predatory lending practices.

²⁴ The program brochures are distributed at the various housing and community fairs, and the fair housing brochures are distributed through two community based organizations, CARACEN (Spanish) and SOS Boat People (Vietnamese), that serve their respective immigrant communities.

2. Special Needs Housing

Four of DHCD's FY 2002 projects were for special needs. They include

1. Partner Arms II - 13 units of transitional housing
2. Good Hope House - 8 units of transitional housing
3. Walter Washington Estates - 45 units of Section 202 senior housing
4. Golden Rule Community - 119 units of senior housing

For its FY 2003 Request for Proposals, DHCD has prioritized the development of barrier-free housing, and it has earmarked \$3.0 million in local Housing Production Trust Fund monies for that purpose.

3. Outreach

The Department of Housing and Community Development's (DHCD) Office of Strategy and Communications' (OSC) outreach efforts are conducted via mass mailings, seminars, community meetings, etc. DHCD issues a minimum of four mass mailings a year (in excess of 800 per mailing) to Advisory Neighborhood Commission Chairs and Commissioners and various community-based organizations (CBOs), community development corporations (CDCs), and other public/private entities regarding DHCD activities. These include public hearings, budget hearings, notifications of City Council actions, Notice of Funding Availability (NOFA), DHCD events, press releases, legislative issues affecting affordable housing, community meetings, groundbreakings, ribbon-cuttings, etc. Additional mailings are done as necessary.

During FY 2002, OSC received and responded to more than 600 inquiries via the Department's "Ask the Director" web site link. The questions related to all aspects of housing, from rental assistance and housing development to the home ownership process. Over 1,000 brochures on DHCD's programs have been mailed out during this period. In addition, OSC conducted several seminars to educate District residents on the Department's home ownership programs. By far, the largest seminar turnout continues to be for the Department's Employer-Assisted Housing Program that targets home ownership for District government employees. Summary descriptions of all DHCD programs were made available by mail and the Internet.

In responding to "Ask the Director" inquiries, it became obvious that a large segment of the rental community, especially those with low- to moderate-income, were unaware of their first right to purchase the building if the owner decided to sell. In conjunction with other DHCD offices, OSC plans to further expand outreach activities that inform District residents of tenant association home ownership.

4. Lead-Based Paint

DHCD received technical assistance from HUD's Office of Healthy Homes and Lead Hazard Control on implementing the Lead-Safe Housing Rule within the single family and multifamily rehabilitation programs. This technical assistance included two training sessions for DHCD and grantee staff. DHCD now has new procedures for its single family and multifamily housing rehabilitation programs that account for the Lead-Safe Housing Rule.

In addition, DHCD is undertaking a meeting with local stakeholders and HUD in early 2003 to delineate roles and responsibilities in implementing the Lead-Safe Housing Rule. This stakeholders meeting will be followed by a Lead-Safe Housing Rule conference where the general public and DHCD customers will be informed of their requirements and responsibilities under the Lead Safe Housing Rule. All local government agencies with a responsibility in implementing the Lead Safe Housing Rule and HUD are participating in the Lead Safe Housing Rule conference. DHCD is receiving technical assistance from HUD and ICF in the development and implementation of its Lead Safe Housing Rule responsibilities.

5. Program Improvements

Delivery: DHCD implemented a Request for Proposals (RFP) process for the bulk of its FY 2003 funding. DHCD's Development Finance RFP, issued in August 2002, restores a competitive and transparent funding process for making development finance awards. DHCD also refined its Neighborhood Development Assistance Program (NDAP) during FY 2002, focusing the program on the delivery of neighborhood services such as counseling and job training, and expanding the competition for funding awards. DHCD held a Request for Applications to solicit project and program proposals for NDAP in July 2002.

Monitoring: DHCD developed an annual subrecipient monitoring plan, and began to conduct monitoring reviews of DHCD programs and subrecipients, including the Construction Assistance Program and NDAP. The Office of Program Monitoring (OPM) issued a Construction Assistance Program monitoring report and 24 monitoring reports to NDAP grantees. The monitoring reports included specific findings and recommendations to be addressed. OPM also contracted for a review of the Emergency Shelter Grant Program and its subrecipient, and of the Department's Low Income Housing Tax Credit Program.

In addition, OPM established a tracking database to monitor DHCD and subrecipient corrective action for reports issued by OPM and by external agencies such as HUD and the Office of the Inspector General.

With regard to oversight of Community Housing Development Organizations (CHDOs), OPM has worked with the Development Finance Division in revising the CHDO application and has reviewed two recent applications for eligibility. OPM monitors the CHDO commitment requirement (in IDIS) and provides technical assistance to ensure that the Department meets its CHDO commitment requirement.

Going into FY 2003, OPM will continue its program and subrecipient monitoring activities. OPM will review activities in NDAP, Multifamily Housing Rehabilitation Program, and the HOME program. OPM will provide technical assistance to the Development Finance Division on implementing its project monitoring activities for the CAP, ESG, and LIHTC programs, and it will conduct follow-up reviews to ensure that corrective actions have been implemented.

Technical Assistance: OPM obtained technical assistance from HUD for several areas of the Department's operations, including the HOME Program and HUD's new Lead-Based Paint rule. As a result, DHCD now has a long-term monitoring guide for HOME-funded rental development projects, and the single-family and multifamily rehabilitation programs have policies and procedures that incorporate the Lead-Based Paint rule.

6. Coordination with the D.C. Housing Authority and Other Entities

The Department has partnered with the District of Columbia Housing Authority (DCHA) in the redevelopment of the Frederick Douglass/Stanton Dwellings and the New East Capitol public housing communities.

The redevelopment plan for Frederick Douglass/Stanton Dwellings, renamed *Henson Ridge*, calls for a new, 600-unit community with all new infrastructure (streets, sidewalks and alleys), a new community center, new parks and open spaces, as well as significant investment in neighborhood schools. The development includes 320 home ownership units targeted to households with a range of incomes. The 280 rental units will serve a mix of public housing and moderate-income families. The housing mix includes 42 senior bungalows, 28 stacked-flat apartments and 530 townhouses. To date, DHCD has committed \$8.0 million for infrastructure improvements - \$5.0 million in CDBG funds (disbursed) and \$3.0 million in capital funds (disbursement in progress).

The New East Capitol (formerly East Capitol Dwellings and Capitol View Plaza, along with a HUD-foreclosed property) will include 555 units of beautifully constructed, mixed-income units. One hundred ninety-six will be public housing units, 214 will be affordable and market-rate rental units and 145 will be home ownership units, utilizing both lease-to-purchase and Section 8 home ownership rules and ensuring home ownership for a number of current residents. DHCD has committed \$10 million in funding for this project for infrastructure improvements - \$3.0 million in CDBG funds (disbursed), and \$7.0 million in capital funds (disbursement in process).

DHCD also meets with DCHA, D.C. Housing Finance Agency, the Office of Planning, and other agencies' representatives at weekly Housing Cluster Meetings, which the Deputy Mayor for Planning and Economic Development convenes. At these meetings, participants discuss joint projects, legislative issues, and other matters where coordination among the agencies will promote common goals.

7. Georgia Avenue Neighborhood Revitalization Strategy Area

In 1999, DHCD submitted an application for designation of the Georgia Avenue Corridor as a Neighborhood Revitalization Strategy Area (NRSA) to the U.S. Department of Housing and Urban Development, in conjunction with the District of Columbia Fiscal Year 2000 Consolidated Plan.

The city proposed to address economic development focused along the almost 5-mile corridor by approaching it as a single linear neighborhood. The Georgia Avenue Corridor has a distinct identity because it is one of the major north-to-south transportation routes connecting Maryland to downtown D.C. The targeted area includes the 39 census blocks that abut Georgia Avenue from Florida Avenue, N.W. to Eastern Avenue, N.W. Portions of the lower end of the strategy area already qualified as an NRSA because of their federal designations as Enterprise Communities.

The NRSA development strategies include job creation, housing development, employment and entrepreneurial training and infrastructure development. A combination of projects and program activities has been identified in the NRSA supporting these four categories to serve as the core tools for revitalizing the Corridor.

The performance measures and FY 2002 accomplishments include:

Table 13: Georgia Avenue NRSA Performance Data

	Performance Measures	FY 2002 Accomplishments
Job Creation	<ul style="list-style-type: none"> Create 50 new jobs each year Create 5 new businesses each year Attract 3 major employers by 2004 	<ul style="list-style-type: none"> New business data is not available. No major employers (50+ employees) have relocated to Georgia Avenue.
Housing and Community Development	<ul style="list-style-type: none"> Rehabilitate 20 loans multifamily units by 2001 Rehabilitate 20 single-family homes by 2001 Create 135 new homeowners by 2002 	<ul style="list-style-type: none"> DHCD provided funds to develop 13 units of transitional housing and 17 affordable condominium units DHCD and the DCHFA also provided single-family acquisition and rehabilitation loans within the NRSA boundaries: <ul style="list-style-type: none"> 29 SF rehab loans (FY 2000-2002) for \$383,825 298 HPAP loans (FY 2000-2002) for \$2,551,640
Employment and Entrepreneurial Training	<ul style="list-style-type: none"> Open 1 new job training center by 2002 Conduct 2 career fairs each year 	<ul style="list-style-type: none"> DHCD provided support to the Georgia Avenue Business Resource Center in FY 2002 and FY 2003. The center provides monthly training sessions on various business development and operating topics To date, the Business Resource Center has helped 10 businesses get loans, 30 businesses get LSDBE certified, and 10 businesses get 8(a) certified.
Infrastructure Improvements	<ul style="list-style-type: none"> Renovate 2 community parks by 2001 Install 50 historic markers by 2001 Make improvements to the Gateway at Silver Spring 	<ul style="list-style-type: none"> DHCD awarded funds for façade improvements on the 2800, 3400-3600, 6200, 7300 and 7700 blocks of Georgia Avenue (which include the Gateway) The Department of Public Works constructed pedestrian level lighting from Gresham Place to Quebec Place on Georgia Avenue.

In addition, DHCD closed two acquisition loans for rehabilitation of multi-family Residential Projects in the 700 and 800 blocks of Jefferson Street, N.W., just east of Georgia Avenue, and purchased two commercial properties for redevelopment at 3813 and 3815 Georgia Avenue. These are to be redeveloped through the National Capital Revitalization Corporation and a private developer.

8. Carver Terrace/Langston Terrace/Ivy City/Trinidad NRSA

DHCD applied to HUD for the designation of the Carver/Langston Terrace/Ivy City/Trinidad (CLTICT) communities as a Neighborhood Revitalization Strategy Area (NRSA) in August 2000. The application was approved in October 2000. The CLTICT NRSA includes five census tracts defined by New York Avenue, Florida Avenue and Bladensburg Road, and includes Galludet University and the Farmer's Market, as well as major residential and light industrial developments.

The NRSA development strategy includes job creation, housing development, employment and entrepreneurial training, and infrastructure development. A comprehensive set of projects and programs has been developed around these four areas to serve as the core tools for revitalizing the neighborhood.

The performance measures and FY 2002 accomplishments include:

Table 14: CLTICT NRSA Performance Data

	Performance Measures	FY 2002 Accomplishments
Job Creation	<ul style="list-style-type: none"> Create 25 new jobs each year Create 3 new businesses each year Attract 12 new businesses by 2005 	<ul style="list-style-type: none"> 41 jobs were created by the birthing center. 14 jobs were created by the health and child development center.
Housing and Community Development	<ul style="list-style-type: none"> Create 600 affordable/mixed-income units Construct one 80 slot day care center Construct one birthing and well-care center for low-income residents Develop three computer learning centers 	<ul style="list-style-type: none"> The Carver Terrace Health and Child Development Center was completed in FY 2002. The DC Developing Families Center was completed in FY 2000. 28 completed and 35 planned single-family housing rehabilitation projects. <p>In addition:</p> <ul style="list-style-type: none"> Carver Terrace Apartments, a 312-unit project, will receive funding in FY 2003. Manna, Inc. will receive funding in FY 2003 to renovate 30 units of Homestead multifamily housing.
Employment and Entrepreneurial Training	<ul style="list-style-type: none"> Train 50 youth entrepreneurs Train 100 community residents in housing construction and lead/asbestos abatement trades and landscaping services Conduct 2 career fairs each year 	<ul style="list-style-type: none"> The Youth Services Administration is building a training center. The YSA is working with Ivy City Patriots to enroll students. Trinidad Concerned Citizens for Reform (TCCR) have started an Adult Education Center and are preparing a memorandum of understanding with the Department of Employment Services.

	Performance Measures	FY 2002 Accomplishments
Infrastructure Improvements	<ul style="list-style-type: none"> • Plant 1,000 trees • Renovate two community parks by 2003 • Renovate roadways at New York and Montana Avenues • Repair bridge at New York and Florida Avenues 	<ul style="list-style-type: none"> • Ivy City Patriots have planted flowers in the community. • TCCR partnered with Urban Forest to plant trees in the community and are working with Department of Parks and Recreation to improve its partnership. • The Department of Transportation has budgeted out-year funds for New York and Montana Avenues. • The Department of Transportation is in the design phase for the bridge repair at New York and Florida Avenues.
Economic Growth	<ul style="list-style-type: none"> • Increase retail space and promote 25 new businesses • Relocate two District agencies to the NRSA to spur growth 	<ul style="list-style-type: none"> • No District agencies have moved to date.

In FY 2002, DHCD entered into an NDAP contract with HomeFree USA to rehabilitate a minimum of 20 single-family homes. Previously, HomeFree USA had rehabilitated 28 single-family houses in the Trinidad area under partnership with DHCD.